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STATE FOR EB/ESC, EUR/ERA AND EUR/UBI
TREASURY FOR OASIA/ICN - ATUKORALA
USDOC FOR 3133/USFCS/OIO/EUR

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [EINV](#) [EAID](#) [EWWT](#) [EAIR](#) [BE](#)
SUBJECT: BELGIAN STEWPOT: June 26, 2006

Ref: (A) Brussels 1876 (B) 05 Brussels 4385

- 1-2. Belgium More Wired than EU Average
- [13](#). Ten Candles for Thalys
- 4-5. Economy Grows, Though Savings Drop
- [16](#). Quickenborne Lives Up to His Name...
- 7-9. Women Under-represented in Corporate Boards
- 10-12. Peace Corps-Type Voluntary Service for Belgian Youths
- [13](#). Chocolate: Good Tasting and Good For You Too
- [14](#). A/C Workers Protest Hot Working Conditions

Belgium More Wired than EU Average

[11](#). (U) In May, EU Information Society Commissioner Viviane Reding levied a general criticism at European countries for lagging behind on implementing fast new technologies. The commissioner lamented Europe's slow take-up of new high-speed communications technologies such as broadband internet, telecommunications, and digital broadcasting. Belgium, however, is doing better than most. A 2005 survey by the Organization for Economic Cooperation and Development (OECD) ranks Belgium 10th overall among OECD countries in broadband penetration, with a total of 18.3 broadband subscribers per 100 inhabitants. Just four EU countries (Netherlands, Denmark, Finland, and Sweden), Switzerland and Norway rank ahead of Belgium. Belgium surpasses the U.S., which ranks 12th with 16.8 broadband subscribers per 100 inhabitants.

[12](#). (U) Meanwhile, three Belgian Federal Ministers are doing their part to make internet access more widely available in Belgium. Under the slogan "Internet for All," a letter from Prime Minister Verhofstadt, Vice Prime Minister and Minister of Finance Reynders, and Minister of Employment and "Informatization" Vanvelthoven, was sent to nearly every Belgian household this spring. The letter offers an internet package that includes: a computer with basic accessories, internet connection for one year, installation, and elementary training. As a further incentive, subscribers may deduct the 21 percent VAT from their Belgian taxes for 2007. The package costs 850 euros for a desktop or 990 euros for a laptop - a bargain compared to prevailing costs of similar equipment and service in Europe.

Ten Candles for Thalys

[13](#). (U) Thalys, the high speed passenger train that links Brussels with Paris, Amsterdam, and Cologne celebrated 10 years of service in early June. The Thalys venture is 70 percent owned by the French national railway operator, SNCF, and 30 percent owned by Belgium's national railways, SNCB/NMBS. More than 52 million passengers have traveled on the Thalys during its first decade. In 1997, the line's first full year of operation, revenue exceeded 110 million euros. By 2005, earnings had more than tripled to 335 million euros. The

fast train has largely supplanted air travel between Paris and Brussels, and Belgian officials credit the line with a 10 percent increase in French tourists visiting Belgium during the 10 years since the line's inception. For hoteliers, there is a downside. The rapidity of travel means that many visitors return to France the same day, rather than overnighting in Belgium. The Brussels-Paris route, which takes about one hour and twenty-five minutes, is the only Thalys route making a profit; both the Brussels-Cologne and Brussels-Amsterdam routes operate at a loss.

Economy Growing Smartly as Consumer Savings Drop

¶4. (U) Confirming earlier estimates (ref A), the Belgian National Bank reports that Belgium's economy should grow by 2.5 percent in 2006 and by 1.8 percent in 2007. This growth could yield 80,000 jobs in the next two years. "Belgium is no longer the sick man of Europe -- as it was in the early Eighties," National Bank Governor Guy Quaden said on June 12 when he presented his interim forecast. Quaden also lauded the spectacular rise in Belgium's business confidence indicator, which reached a record in June; this indicator has become a reliable forecaster of Eurozone growth in the 9-12 month timeframe.

¶5. (U) He warned against overoptimism, however, because Belgium's labor costs remain higher than in neighboring countries, which dampens both domestic and foreign direct investment. Quaden also warned that without additional revenue enhancement or belt-tightening, Belgium's 2007 Federal budget is heading for a 4.5 billion euro deficit.

Quickenborne Lives Up to His Name

BRUSSELS 00002199 002 OF 003

¶6. (U) Belgian Secretary of State for Administrative Simplification Vincent van Quickenborne seems determined to live up to his name. On June 1, a program conceived by his office went into effect, reducing the average days required to create a new business in Belgium from 56 to 3. Van Quickenborne claims this is the shortest in Europe. This vast reduction in processing time was achieved by removing some of the formalities of the application process and by the introduction of an "e-depot" at the office of the notary. The e-depot allows the entrepreneur to fill out and sign electronically a single form sent instantaneously to the appropriate Belgian agencies, eliminating duplicate paperwork and time spent waiting in lines to receive operating permits. This improved registration procedure should help encourage new business creation and investment in Belgium.

Women Under-Represented in Corporate Belgium

¶7. (U) According to a study by the European Board Women's Monitor, Belgian companies score below the EU average for the percentage of women with corporate board functions. Of Belgian companies surveyed, women occupy only 5.8 percent of corporate board slots, against an EU average of 8.5 percent. Although this reflects almost a doubling of the 2004 score of 3 percent, Belgium joins five other EU countries at the bottom on this statistic.

¶8. (U) When asked why Belgium scores so poorly on this criterion, the president of the Belgian Association of Women Business Leaders said Belgium still exhibited the "glass ceiling" that slows entry of women into the highest levels of corporate responsibility. She also noted that Belgium lags other countries in providing structural assistance through social services to help women entering the workforce, such as affordable daycare and flexible working hours. The lobbyist faulted Federal Minister of Social Integration and Equal Opportunity Christian Dupont for not doing more to promote women in executive authority.

¶9. (U) At a recent AmCham event, Flanders Region Economic Minister Fientje Moerman was asked her view of the study. She noted that partly the society did not provide the tools women needed to

succeed, but partly women made choices favoring family and other interests over career advancement. Moerman, who has a young adult daughter, has worked in the private sector as well as at the local, regional, and federal levels of the Belgian government.

Peace Corps-Type Voluntary Service for Belgian Youths

¶10. (U) On June 22 Belgian Federal Minister of Cooperation and Development Armand De Decker announced a program that will allow Belgian young people to offer concrete support to Belgium's 18 "development partner" countries. The program, signed into law by Royal Decree in May 2006, calls for youths to work together in "solidarity" to provide assistance to targeted developing countries while informing the Belgian public about aid and development issues. Another goal of the program is to groom members of the next generation to become aid workers. Open to persons age 20 or under, the program envisions sending up to 100 young people abroad annually for three-year missions in one of five sectors: health care, education, agriculture and food security, infrastructure, and community building.

¶11. (U) After a screening process and successful passage of written and oral examinations, selected candidates will undergo brief training before being sent overseas. While in the field, volunteers will receive a monthly stipend and defrayed expenses for travel, lodging, health care, and insurance. Registration for the first cycle of 50 volunteers is underway until July 2; more than 1,000 young Belgians have already applied. Belgian officials hope that the first wave of 50 volunteers will be ready to ship out by the end of 2006, and a second wave of 50 in the spring of 2007.

¶12. (U) The 18 destination countries are those with which Belgium already has direct bilateral aid programs, including 13 in Africa: Democratic Republic of Congo, Rwanda, Burundi, Uganda, Tanzania, South Africa, Mozambique, Morocco, Algeria, Benin, Niger, Senegal, and Mali. Bolivia, Ecuador, Palestine, Peru and Vietnam complete the list.

Good Tasting and Good For You

¶13. (U) Belgian chocolate producer Barry Callebaut, which claims to be the world's biggest processor of cocoa beans, has developed a new processing method said to preserve more of chocolate's natural health benefits in the final product. Chocolate is a good source of antioxidants, and according to Callebaut, his "Acticoa" process

BRUSSELS 00002199 003 OF 003

brings as much as 80% of chocolate's naturally occurring antioxidants to consumers, compared to 25% with standard cocoa bean processing technology. The first products using the new method are due on the market in 2007. This development adds to a growing emphasis on health-focused publicity for chocolate (ref B). It may also be a boon for the industry as a whole, as health-conscious consumers find a justification for having just one more little piece.

Hot Irony for A/C Workers

¶14. (U) 1200 Workers at the Daikin Europe N.V. air conditioning manufacturing plant in Oostend (on Belgium's seacoast) are protesting ... hot working conditions. A recent heat wave saw temperatures in the plant soar to above 86 degrees Fahrenheit (30 Celsius), which union representative Diego Vermeerch called unbearable. Plant manager Dirk Salembier acknowledged that temperatures in the factory had been an issue, but claimed that the union-specified limit of less than 26.7 degrees Celsius was being maintained. A new ventilation system will be installed in August, but (oddly) not air conditioning, which Salembier claims the plant's construction will not support.

Korologos